

Section 3



Methods of Delivery and Utilization Controls

Section 3. Methods of Delivery and Utilization Controls (Section 2102)(a)(4))

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 4.

- 3.1. Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of the choice of financing and the methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102)(a)(4) (42CFR 457.490(a))**

AHCCCS administers the Title XXI KidsCare Program. The program uses Title XXI funding to provide targeted, low income children with a choice of one of the 10 prepaid, capitated AHCCCS health plans, the Indian Health Service and P.L. 638 tribal facilities.

AHCCCS HEALTH PLANS

In partnership with AHCCCS, the health plans have been delivering quality, managed care services for almost 20 years. Their commitment to quality management is evidenced by the fact that at least half of the contractors voluntarily have sought and received accreditation from the National Committee for Quality Assurance (NCQA). Please see Attachment E for a profile of the current health plans who participate in the KidsCare Program.

AHCCCS health plans have been very successful in assuring access to care. Over 89 percent of practicing physicians in the state participate in the program. Care is available in a wide range of settings, including FQHCs and many of the Rural Health Centers, who have elected to subcontract with the health plans.

AHCCCS health plans are held to the same standards for KidsCare that are required for the Medicaid program. In order to secure a contract to deliver Medicaid services, bidders must respond to a Request for Proposal (RFP) and submit a proposal with specific capitation rates for one or more of the nine geographic service areas in the state. A critical element in the bid evaluation performed by AHCCCS is an assessment of how each prospective contractor will meet all financial and operational requirements, ensure quality of care and provide a sufficient network to meet specified accessibility requirements. Following is a more detailed description of the elements which are scored during the RFP process:

Program

Member Services

Quality and Utilization Management

Early Periodic Screening Diagnosis and Treatment

Maternal Health/Women's Health

Behavioral Health Services

Provider Network

Development of Capacity
Management and Oversight

Organization

Organization and Staffing
Fraud and Abuse
Subcontracts
Claims and Third Party Liability
Liability Management
Grievance and Appeals
Financial Standards
Encounters

Capitation Rates

All offerors submit detailed capitation bids which are evaluated against actuarially sound rate ranges. For the KidsCare Program, AHCCCS sets the rates based on an actuarial analysis.

Ongoing Monitoring

AHCCCS monitors the solvency of the health plans and their delivery of health care services with the following activities:

- Quarterly and annual financial reporting
- On-site annual operational and financial reviews
- Performance measures using administrative data and medical records
- Member surveys
- Network reporting
- Encounter validation studies to determine completeness, accuracy and timeliness
- Solvency standards
- Coordination of benefits
- Educational efforts
- Medical studies
- Frequent meetings with contractors' executive management

Other Intergovernmental Agreements

In addition to amending health plan contracts, AHCCCS has amended the the current Intergovernmental Agreements with the ADHS for behavioral health services and children's rehabilitative services, and the DES for KidsCare services provided to foster care children. Amendments with ADHS are necessary to provide behavioral health services through the Regional Behavioral Health Authorities for the KidsCare population and to reimburse ADHS for services provided to KidsCare eligible special needs children who are also enrolled in the CRS program. The amendment with DES is

necessary to direct foster children eligible for KidsCare to the Comprehensive Medical and Dental Program, which is the current health plan for foster care children.

Indian Health Services/638 Tribal Facilities

AHCCCS also enables KidsCare eligible Native American children to use the Indian Health Service or 638 facilities operated by tribal governments who want to participate in the program. Of course, a Native American child who is eligible for KidsCare may also elect to enroll with one of the available AHCCCS health plans or a participating state employee HMO.

3.2. Describe the utilization controls under the child health assistance provided under the plan for targeted low-income children. Describe the systems designed to ensure that enrollees receiving health care services under the state plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved state plan. (Section 2102)(a)(4) (42CFR 457.490(b))

AHCCCS has a managed care system that relies on multiple strategies to provide appropriate and medically necessary services. Children enrolled in the KidsCare Program have a choice to enroll with any of the available contractors in their geographic service area, including Indian Health Services, and have the right to choose a primary care provider (PCP) from the available practitioners. The PCP is contractually responsible for coordinating the care of members and approving referrals for medically necessary specialty services.

The AHCCCS Medical Policy Manual (AM/PM), which is available to all contractors and providers, specifies covered and excluded services under the KidsCare Program, as well as prior authorization (PA) requirements.

Each contractor is responsible for maintaining a utilization management program which includes: medical claims review, concurrent review, inpatient discharge planning, profiles of individual providers, drug utilization monitoring, analysis of durable medical equipment orders and non-emergency prior authorization.

Contractors must have a 24-hour telephone number staffed by health care professionals who advise members about the appropriate use of the emergency room and how to use urgent care centers. KidsCare members are subject to a \$5.00 copayment when Emergency Departments are utilized for nonemergency services, in order to discourage inappropriate use of these facilities.

AHCCCS reviews and monitors contractors' utilization management through an analysis of their financial reporting, through on-site operational and financial reviews and reviews of the utilization reports and the annual utilization management plan submitted by the contractors. These tools are discussed further in **Section 7.1**.